

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Monday, March 29, 2004 the following members were present:

Bob Rowe, Chairman
Thomas J. Schneider, Vice Chairman
Matt Brainard, Commissioner
Greg Jergeson, Commissioner
Jay Stovall, Commissioner (via telephone)

APPEARANCE
Monica Tranel, Mike Lee

(119) In the matter of the Commission's discussion of the Mooseweb Arbitration Motion to Dismiss - Docket No. D2003.10.144:

Commissioner Jergeson moved to dismiss the arbitration. Commissioner Schneider seconded the motion, which passed unanimously.

(120) In the matter of the Commission's discussion of Petitions to Suspend Local Number Portability (LNP) in Docket Nos. D2004.3.35, Ronan Tel. Co. & Hot Springs Tel. Co.; D2004.3.37, MITS & MTA; D2004.3.39, MTA; and D2004.3.44, MITS:

Commissioner Jergeson moved to temporarily suspend LNP requirements pending a Commission decision based on submissions of the parties. Briefs on interim suspension are due April 5, 2004, at 9:00 a.m., with opportunity to request a hearing. Commissioner Stovall seconded the motion, which passed 4-1. Commissioner Schneider dissented.

(121) In the matter of the Commission's discussion of Qwest's FCC's Triennial Review Order and the D.C. Circuit Court of Appeals:

Commissioner Schneider moved to send a letter to CLECs explaining rights as to the TRO and advise them of the Commission's availability to facilitate. Commissioner Rowe seconded the motion, which passed 3-1. Commissioner Brainard was absent for this work session and did not leave his vote. Commissioner Jergeson dissented.

(122) In the matter of the Commission's discussion of Qwest Motions for Reconsideration - Docket Nos. D2002.12.153 and D2003.10.153:

Commissioner Schneider moved to close the work session to discuss proprietary information. Commissioner Jergeson seconded the motion, which passed 4-0. Commissioner Brainard was absent for the dockets in this work session and did not leave his vote.

Commissioner Jergeson moved to open the meeting and deny the motions to reconsider in both dockets. Commissioner Rowe seconded the motion.

Commissioner Schneider made a substitute motion to direct staff to prepare order granting in part and denying in part QLD and QCC motions: Once QCC and QLD has complied with the requirement to make an offering available statewide, the customer disclosure and market reporting requirements will terminate. Commissioner Rowe seconded the motion, which passed 4-0.

There being no further business to come before the Commission the meeting was adjourned.

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGESON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Connie Jones
Commission Secretary

(SEAL)

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, March 30, 2004, the following members were present:

Bob Rowe, Chairman
Thomas J. Schneider, Vice Chairman
Matt Brainard, Commissioner
Greg Jergeson, Commissioner
Jay Stovall, Commissioner (via telephone)

APPEARANCE

Eric Eck
Utility Division

(107) In the matter of NorthWestern Energy - Docket No. D97.11.219: On March 8, 2004, NWE filed its tenth semi-annual true-up Advice Letter pursuant to Order No. 6035a. This filing is made by NWE in its role as servicer of the Natural Gas Transition Bonds. If the previous six-month period variance between the scheduled debt service and the actual amounts available to satisfy the scheduled debt service for such period exceeds 2 percent NWE is required to apply for adjustment to the Fixed Transition Amount (FTA) charges. The variance for the period was an under collection of .29 percent or \$12,680. In spite of the fact that the variance did not exceed 2 percent, an increase is necessary based on future payment obligations and projected market load. The new increased FTA rates should ensure enough funds are collected to make the next principal and interest payment.

Commissioner Schneider moved to approve the FTA increases effective April 1, 2004. Commissioner Jergeson seconded the motion, which passed unanimously.

APPEARANCE

Scott Fabel
Utility Division

(108) In the matter of Qwest Communications - N2003.9.140: Qwest filed Tariff Transmittal 03-27, cancellation charge for Uniform Access Solution (UAS), Digital Switched Service (DSS), and ISDN Primary Rate Service (PRS). The purpose of this filing is to establish a nonrecurring charge for DSS, ISDN PRS, and UAS for use in determining cancellation charges. The cancellation charges are based on the nonrecurring charge for the service and are figured by using the last completed Critical Date percent.

Commissioner Stovall moved to approve the charges. Commissioner Schneider seconded the motion, which passed unanimously.

APPEARANCE

Will Rosquist
Utility Division

(109) In the matter of Semptra Energy Trading Corp. - N2004.3.31: On March 2, 2004, Semptra Energy Trading Corp. filed an application for a license to offer and sell retail electricity supply services to large commercial and industrial customers in NorthWestern Energy's service territory.

Commissioner Schneider moved to grant the license application with the conditions outlined by staff, and if after staff review, there are no outstanding market abuses at FERC. Commissioner Jergeson seconded the motion, which passed unanimously.

APPEARANCE

Wayne Budt, Administrator
Transportation/Centralized Services Division

(110) In the matter of T-04.3.RRV: On February 20, 2004 Graymont Western US, Inc., Townsend Montana filed a request for an overhead and side clearance variance for there location at the Indian Creek Plant. The variance request was noticed on February 24, 2004 and no protests have been received.

Commissioner Brainard moved to grant the variance request subject to providing signage. Commissioner Jergeson seconded the motion, which passed unanimously.

(111) In the matter of the approval of Commission Minutes; Commissioner Schneider moved to approve the Commission Minutes for the week of March 22, 2004. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Marla Larson
Utility Division

(112) In the matter of the Commission's discussion of the CLEC forum report - Docket No. D2003.4.45:

Commissioner Jergeson moved to direct staff to issue the report from the CLEC forum with the minor modifications discussed. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE

Mike Lee, Martin Jacobson, Leeroy Beeby

(113) In the matter of the Commission's discussion of Energy West Property Tax Increase - Docket No. D2003.12.165: Staff notes interim has been issued with reduced revenue requirement, staff recommends further reduction, continued interim approval of rate design if implemented on an equal percentage basis, and consolidation with recent general rate case for final determinations or proposed order with opportunity for hearing.

Commissioner Jergeson moved to direct staff to draft a proposed order reducing interim revenue requirement approval as recommended, continuing the interim rate design if implemented on an equal percentage basis, deferring final determination on rate design to the general rate case, and returning to the commission for further discussion. Commissioner Brainard seconded the motion, which passed 4-1. Commissioner Schneider dissented in part.

Commissioner Schneider made a substitute motion to amend Commissioner Jergeson's motion by adopting a uniform percentage to all distribution and customer charges with the exception of the four identified customers. Commissioner Brainard seconded the motion, which failed 2-3. Commissioner Rowe, Commissioner Jergeson, and Commissioner Brainard dissented.

APPEARANCE

Dave Burchett
Utility Division

(114) In the matter of the Commission's discussion of NWE recovery of over crediting of gas assets proceeds - Docket No. D97.11.219:

Commissioner Schneider moved to grant the adjustment on an interim basis with the notice to appear on the agenda. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE

Will Rosquist
Utility Division

(115) In the matter of the Commission's discussion of NWE Electric Default Supply Procurement Plan:

Commissioner Jergeson moved to issue an RFP with a cap of \$25,000 in incorporating the draft language presented by staff with the discussed changes. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE

Robin McHugh, administrator
Legal Division

(116) In the matter of the Commission's discussion of the contract for outside legal counsel:

Commissioner Jergeson moved to revise the contract with LaFollette Godfrey and Kahn, raising the ceiling to \$285,000 and extend the term of the contract through September 30th. Commissioner Schneider seconded the motion, which passed unanimously.

APPEARANCE
Wayne Budt, Martin Jacobson

(117) In the matter of the Commission's discussion of an amendment to motor carrier application fee rule:

Commissioner Brainard moved to go through the rulemaking process to propose a \$500.00 fee for transportation applicants with \$300.00 to be refunded if no hearing is conducted, and a \$200.00 fee for protestants to be refunded in full if no hearing is conducted. Commissioner Jergeson seconded the motion, which passed 4-1. Commissioner Schneider dissented.

APPEARANCE
Laura Calkin
Centralized Services Division

(118) In the matter of the Commission's discussion of staff travel:

Commissioner Jergeson moved to approve out-of-state travel to the NAPSRR Western Region Meeting (pipeline safety) for PSC staff Joel Tierney and Steve Vick, May 24-28, 2004. Also approved for out-of-state travel was Al Brogan to attend NARUC Attorney's Conference in Chicago, Ill., May 16-19, 2004. Commissioner Brainard seconded the motion, which passed unanimously.

There being no further business to come before the Commission the meeting was adjourned.

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGESON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Connie Jones
Commission Secretary

(SEAL)